

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

People of Cook County	)	
	)	Docket No. 00-0789
Petition for Emergency Rulemaking	)	
and Expedited Investigation.	)	
	)	
Pat Quinn	)	
	)	Docket No. 01-0046
Petition to the Members of the Illinois	)	
Commerce Commission Pursuant to	)	
Section 5-145(b) of the Illinois	)	
Administrative Procedure Act	)	

**BRIEF OF CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a  
AMERENCIPS AND UNION ELECTRIC COMPANY d/b/a AMERENUE**

COME NOW Central Illinois Public Service Company d/b/a AmerenCIPS and Union Electric Company d/b/a AmerenUE (jointly referred to herein as “Ameren”) and, pursuant to the briefing schedule established by the Hearing Examiner in this proceeding, hereby submit their Brief.

**A. Introduction/Background.**

This proceeding was initiated in December, 2000, when the Cook County State’s Attorney’s Office (“CCSAO”) and the City of Chicago jointly filed a Petition for Emergency Rulemaking in Docket No. 00-0789, requesting that the Illinois Commerce Commission (“Commission”) adopt certain proposed rules applicable exclusively to the budget billing programs of natural gas utilities operating in the State of Illinois.

Specifically, the petitioners proposed to require all gas utilities to incorporate the following six elements into their budget billing programs:

- Permit customers to enroll in budget billing plans any time of the year;
- Permit customers to sign up for a budget plan directly on their bills;
- Permit customers with past due amounts to enter into short-term agreements to pay these amounts over a period of at least 12 months;
- Expand budget billing plans to stretch out payments beyond 12 months;
- Provide payment options to customers if the underpayment remaining at the end of the budget plan is greater than \$100.00; and
- Provide a toll-free number that customers can call to enroll in a budget plan.

(See Ameren Exh. 1, p. 3.)

The petitioners also requested that the Commission initiate an investigation into the reasonableness of Illinois gas utilities' budget billing practices.

In January, 2001, the parties participated in a workshop to address the issues raised by the Petition for Emergency Rulemaking, and in February, 2001, pursuant to the schedule developed in Docket No. 00-0789, the parties filed initial and reply comments addressing the petition. On March 2, 2001, the Hearing Examiner issued a ruling consolidating Docket No. 00-0789 with Docket No. 01-0046, a separate proceeding in which Pat Quinn had filed an emergency petition requesting that the Commission suspend all credit reporting by natural gas utilities. The March 2, 2001 ruling also determined that an evidentiary record would be necessary in the consolidated proceeding.

On March 15, 2001, the City of Chicago filed its Notice of Withdrawal from this proceeding, in which it stated that it had reached a settlement with The Peoples Gas Light and Coke Company (“Peoples”) regarding the customer service issues which were raised in the City’s petition. Subsequently, the Commission issued an order permitting the City of Chicago to withdraw from this proceeding.

Pursuant to the procedural schedule adopted by the Hearing Examiner, the remaining parties filed direct testimony and rebuttal testimony on March 30, 2001 and April 12, 2001 respectively, and the Commission held a hearing in this proceeding on April 24-25, 2001. Following the hearing, on May 24, 2001 the remaining petitioners in this proceeding, the CCSAO and Pat Quinn, filed a Notice of Withdrawal and Request for Dismissal in which they asked the Commission to dismiss with prejudice their claims in this proceeding insofar as they relate to utility credit reporting. The moving parties cited a settlement that they had reached with Northern Illinois Gas Company (“Nicor Gas”) regarding credit reporting issues as the basis for their request.

## **B. Argument.**

### **1. There is No Need For the Proposed Rules.**

Assuming that the Commission approves the request of the petitioners to dismiss all claims regarding credit reporting that they have raised in this proceeding, the issues that are left to be resolved by the Commission in this case are relatively narrow. The Commission must determine only whether the six specific changes to the budget billing rules applicable to gas utilities which the CCSAO has proposed should be adopted, and it

must determine whether to initiate an investigation into the budget billing practices of Illinois gas utilities. For several reasons, the record in this proceeding clearly indicates that the relief sought by the petitioners should be denied.

Perhaps the most significant deficiency in the petitioners' case is that they have provided no convincing evidence that any of the six specific changes to the rules that they have proposed are necessary, or even helpful to Illinois gas consumers. Utility after utility submitted testimony indicating that their budget billing programs already incorporate some or even most of the petitioners' proposals. (See, for example, Peoples' and North Shore's Revised Ex. A, pp. 4-9; Nicor Gas Ex. A, pp. 4-5; IP Ex. 1.0 p. 3; Ameren Exh. 1, pp. 4-5.) Where there are differences between the petitioners' proposals and the budget billing programs of gas utilities, the testimony demonstrated that the differences are based on legitimate considerations, such as the fact that it would be unworkable and counterproductive for both utilities and their customers to spread 12 months of bills over 18 months of service as the petitioners propose. (See Nicor Gas Ex. A, pp. 5-6; Peoples' and North Shore's Revised Ex. A, pp. 5-8.)

The utilities also testified that their budget billing programs operated effectively during last winter to mitigate the impact of high gas costs on consumers, in conjunction with other assistance programs. (See, for example, IP Ex. 1.0, pp. 6-9.) Some of the utilities testified that they had participated in Chairman Mathias' initiatives to incorporate the best practices of other utilities into their budget billing programs. They also pointed out that the flexibility afforded by the Commission's current rules permitted them to adapt their programs to meet customers' needs over this difficult period. (Ameren Exh. 1, pp. 6-7; MidAmerican Energy Company Exh. 2, p. 3.)

In response to this evidence, the petitioners provided no explanation of how the adoption of the proposed inflexible, one-size-fits-all rules would provide any meaningful additional relief to Illinois gas consumers. In light of the petitioners' failure to meet this threshold showing, the petition should be dismissed and the proposed rules should be rejected.

**2. Separate Billing Rules for Gas Utilities Are Not Warranted.**

A significant deficiency of the petitioners' proposal is that it would require separate budget billing rules for gas utilities and the other utilities covered by 83 Il. Adm. Code Part 280. As the Commission Staff has pointed out, this raises the potential for legal problems, particularly where the provisions of the proposed rules directly conflict with the existing provisions of Part 280. (See ICC Staff Ex. 1.00, p. 4.) Moreover, as several parties testified, it would be unfair and illogical to single out gas consumers for special treatment under the budget billing rules. There is simply no justification for subjecting gas customers to one set of regulations, and having a completely different set of regulations applicable to the consumers of equally critical electric, water and sewer service. (Ameren Ex. 1, p. 6; ICC Staff Ex. 2.00 pp. 3-4.)

In addition, witnesses for combination gas and electric utilities, including Ameren, pointed out that they would face a myriad of costly practical problems in implementing inconsistent billing rules for gas and electric service. Laurie H. Karman, Ameren's General Supervisor for Credit & Collections testified as follows:

It would be expensive and time consuming to set up redundant budget billing programs for gas and electric service having different requirements. Combined gas and electric bills would have to be split into two separate

bills, and the risk of employee and customer confusion would be much greater. In short, having special budget billing rules for gas customers is a particularly bad idea when a combination utility is involved.

(Ameren Exh. 1, p. 6.)

The testimony of witnesses representing other combination utilities, and the Commission Staff, echoed these concerns. (See IP Ex. 1.0, pp. 9-10; ICC Staff Ex. 2.00, pp. 3-4.)

Because the petitioners have not provided any justification for the inconsistent treatment of gas consumers and the consumers of other critical utility services under the budget billing rules, their proposed rules should be rejected.

**3. Statewide Rules Applicable to All Gas Utilities Are Not Warranted.**

Finally, the relief sought by the petitioners should be denied because the petitioners have provided no evidence that a statewide rule is appropriate to address problems that the petitioners perceive with the budget billing programs of Chicago area gas utilities. From the very beginning of this proceeding, it has been clear that the relief the petitioners are seeking has been based only on their knowledge of, and experience with Chicago area gas utilities, in particular Peoples and Nicor Gas. In their original petition, the petitioners specifically referenced negotiations with Peoples and Nicor Gas. Ameren's witness, Ms. Karman, testified that the petitioners never had any discussions with Ameren or, to the best of her knowledge, any other downstate utilities, in advance of filing the petition. (Ameren Exh. 1, p. 4.) The City of Chicago withdrew from this proceeding based on its settlement with Peoples alone, not any of the other gas utilities that have participated in this proceeding. And most recently the petitioners have moved to dismiss the aspects of this proceeding which deal with credit reporting, based entirely

on a settlement they reached with Nicor Gas, not any of the other parties to this proceeding.

It is clear that the focus of both of the petitioners is on the Chicago area gas utilities. This is as it should be--the CCSAO's jurisdiction is in Cook County, and Pat Quinn is a resident of Chicago. They do not purport to represent any customers affected by the budget billing programs of any downstate utilities.

The hearing in this proceeding reinforced the Chicago focus of the petitioners. Roger D. Colton, the only witness who provided any testimony in support of the proposed revisions to the budget billing rules, admitted that he did not even look at the budget billing plans of any downstate utilities, or discuss budget billing issues with them prior to filing his testimony. He also testified that he has never even taken the time to review Ameren's gas rates. (Tr. pp. 290-291) Under such circumstances, if the Commission perceives any merit at all in the proposals the petitioners have submitted, the petitioners should be instructed to pursue these issues in company-specific proceedings involving Peoples and/or Nicor Gas. In any event, the downstate utilities should not be subject to rules designed to address flaws perceived by the petitioners in the budget billing programs prevailing in the Chicago area.

**C. Conclusion.**

For the reasons stated herein, the Commission should reject the rules proposed by the petitioners, and deny the petitioners' request for a further investigation into the budget billing programs of gas utilities in Illinois. In the alternative, if the Commission perceives any merit to these proposals, the petitioners should be instructed to pursue them in company-specific proceedings applicable to the Chicago area gas utilities.

Respectfully submitted,

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Dated: June 1, 2001



CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing was served to the parties of record via electronic mail or via first class U.S. mail on this 1st day of June 2001.

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Thomas M. Byrne